GOVERNMENT OF INDIA
DEVELOPMENT OF NORTH EASTERN REGION
LOK SABHA

UNSTARRED QUESTION NO:5622
ANSWERED ON:16.05.2007
FINANCIAL PERFORMANCE OF NEHHDC
Jindal Shri Naveen

Will the Minister of DEVELOPMENT OF NORTH EASTERN REGION be pleased to state:

(a) whether the North Eastern Handicrafts and Handlooms Development Corporation (NEHHDC) has been running at a loss;

(b) if so, the details thereof and the reasons therefor;

(c) whether any other Central Government undertakings in the North East and Sikkim which are incurring losses;

(d) if so, the details thereof; and

(e) the steps being taken to make them viable?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF DEVELOPMENT OF NORTH EASTERN REGION (SHRI MANI SHANKAR AIYAR)

(a) & (b): Yes, Sir. This Corporation has been incurring losses since its inception owing to various reasons which include managerial and procedural infirmities.

(c) & (d): There were ten Central Public Sector Enterprises functioning in the North Eastern States during 2005-06, of which four incurred losses. The details are as follows:

S.No.	Name of Enterprise	Loss(Rs. in lakh)
1.	North Eastern Handicrafts & Handlooms Development Corporation Ltd. (NEHHDC)	263
2.	North Eastern Regional Agricultural Marketing Corporation Ltd. (NERAMAC)	110
3.	Nagaland Pulp & Paper Company Ltd.	1402
4.	Brahmaputra Valley Fertiliser Corporation Ltd.	9978

(e) : The steps being taken to make these corporations viable are as follows:

NEHHDC

Sanction of funds for renovation of the showrooms for enhanced sales.

Activation of the Common Facility Centre for Bamboo and wood-based products at Guwahati with assistance from the Export Promotion Council for Handicrafts.

Emphasis on aggressive marketing of North East Handicrafts & Handlooms through various means, including launching of a web-site, development of designs, arranging buyer-seller meets and a more proactive approach on the part of the management of NEHHDC.

NERAMAC

$ Rationalisation of trading items by NERAMAC to get reasonable returns and the adoption of a proactive role by its management.

$ Strengthening of backward linkages for trading items as well as for raw materials required for processing activities, through entering into Memoranda of Undertaking (MoU) with Self Help Groups, farmer cooperatives/ societies etc.

$ Diversification of Pineapple Juice Concentrate Plant at Nalkata to produce other products, apart from pineapple juice concentrate, to make the unit operational for about 300 working days in a year.

$ Setting up of a Cashew Nut processing unit at Mankachar in Assam.

Nagaland Pulp and Paper Company Ltd.

@ Government have recently sanctioned a revival plan for this company.

Brahmaputra Valley Fertiliser Corporation Ltd.

@ This company is making losses primarily because of low energy efficiency in the production of urea and inadequacy of gas for running the plant at 100% capacity utilization. The Ministry of Chemicals and Fertilisers, Government of India have informed the DoNER Ministry that proposals for special dispensations to this company in terms of energy efficiency and mobilization of costs are under consideration with them so that this company avoids suffering cash losses.